New Jersey Department of Environmental Protection

Bureau of Release Prevention

ANNUAL AUDIT CHECKLIST

7/16/07

Introduction

Facilities subject to the Discharges of Petroleum and other Hazardous Substances (DPHS) rules, codified at N.J.A.C. 7:1E and implemented by the Discharge Prevention program within the Department of Environmental Protection (Department), undergo an annual audit inspection each year except while in the plan renewal process. Owners or operators of major facilities regulated by DPHS must comply with all requirements of N.J.A.C. 7:1E as applicable to their operations, as outlined in their approved Discharge Prevention, Containment and Countermeasures (DPCC) and Discharge Cleanup and Removal (DCR) plans.

The DPCC and DCR plans establish how the owner or operator is complying with the various applicable requirements in the DPHS rules. However, compliance is verified by the Discharge Prevention program in several different ways. Compliance with certain requirements in the DPHS rules is ascertained during the plan review process. These are items that are not easily inspected on-site and include the impermeability and size of secondary containment, information about the base underneath a tank, the establishment of an inspection and maintenance program for buried pipes, among other things. Compliance with other requirements is ascertained during the annual audit. Items that are inspected include training records, records of inspection and maintenance on tanks and equipment, and a visual verification that secondary containment, among other things, is still in place and functioning properly.

In order to help owners/operators prepare for the annual audit inspection process, the Discharge Prevention program has assembled this checklist document that presents requirements that may be reviewed during an annual audit inspection. Please note that the checklist presented here includes all of the regulated activities covered by the DPHS rules that could be inspected during an annual audit. There are several other checklists, covering other aspects of the DPHS rules, such as transmission pipeline registrations and discharge confirmation reports. Use of this checklist by an owner or operator of a major facility does not relieve them of the need to comply with all applicable requirements of the DPHS rules and may not identify all potential violations present at a given facility. A checklist specific to the regulated activities that are undertaken at a given facility will be prepared by the Discharge Prevention program inspector for inspection of that facility, and will include only the relevant requirements. A short synopsis of the regulatory language is used on the checklist for each requirement. Please refer to the DPHS rules for the specific regulatory language for a given citation.

The checklist presents the regulatory requirements by topic area in the following order, with the list of requirements following the topic heading:

- Recordkeeping
- Aboveground Storage Tanks
- Drums and Other Storage
- Loading/Unloading Areas
- In-Facility Pipes

- Process Areas
- Secondary Containment
- Marine Transfer Areas
- Flood Hazard Areas
- Leak Detection and Monitoring
- Housekeeping and Maintenance
- Employee Training Program
- Security
- Standard Operating Procedures
- Employee Participation

This order may not be the same as a checklist in the New Jersey Environmental Management System (NJEMS), the Department's database. A completed checklist for a given inspection at a facility can be obtained through the Department's Data Miner on its website at http://www.nj.gov/dep/opra/online.html.

If you have any questions about this checklist or the annual audit inspection process, please contact the Field Verification Section of the Bureau of Release Prevention at (609) 984-7573.

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RECORDKEEPING	**Citation (N.J.A.C. 7:1E)**
Facility has a copy of the approved or conditionally approved plan on-site.	4.6(g)
All records are available for inspection upon request	2.15(e)
Training records maintained for three (3) years	2.15(a)
Facility inventory records maintained for three years	2.15(a)
Annual drills are conducted, drill records include critique, and scenario is varied yearly	4.3(b)4
Annual drill records maintained for three (3) years	2.15(a)
Records of inspections of cleanup and removal equipment maintained for three (3) years	2.15(a)
Facility maintains and makes available for review a copy of all current contracts or agreements for discharge cleanup organization emergency response services	4.3(a)5
Records of discharge confirmation reports maintained for ten (10) years	2.15(b)2
Documentation of financial responsibility is available on-site	4.4(a)
Financial responsibility is for the full amount	4.4(b)
Letter from the chief financial officer is worded as specified	4.4(g)
Guarantee is worded as specified	4.4(k)
Liability insurance is worded as specified	4.4(l)
Surety bond is worded as specified	4.4(m)
Letter of credit is worded as specified	4.4(n)
Copies of MSDSs are readily available to employees	2.14(c)
Documentation of discharges pursuant to N.J.A.C. 7:1E-5.3(e) maintained for ten years	2.15(b)1
Records of discharge confirmation reports maintained for ten (10) years	2.15(b)2
Records of visual inspection document all of the following: inspection performed, the date, person performing the inspection, any problems found, including if no problems were found, and the subsequent correction of such problems	2.10(b)
Records of inspection and repair are maintained for ten years or the lifetime of all equipment, and detection or monitoring, prevention or safety devices related to discharge prevention and response.	2.15(c)1
Records of inspection and repair are maintained for ten years or the lifetime of all structures other than aboveground storage tanks	2.15(c)2
Records of integrity testing, inspection, and repair for ASTs are maintained for the lifetime of the tank, or since the requirement that records be kept	2.15(d)

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ABOVEGROUND STORAGE TANKS	**Citation (N.J.A.C. 7:1E)**
Integrity testing was performed on new field-erected tanks	2.16(b)1
Integrity testing was performed on new shop-built tanks	2.16(b)3
Integrity testing was performed on tanks returned to service	2.16(b)2
Facility is complying with API 653	2.16(d)1
Facility is complying with API 510 or ASME Section VIII	2.16(d)2
Facility is complying with API 653 or SP001	2.16(e)
Facility is complying with FRP testing requirements	2.16(f)
Facility is complying with homogenous plastic tank testing requirements	2.16(g)
Facility is complying with five-year testing requirements	2.16(h)
Facility is complying with approved alternate testing requirements	2.16(i)
A storage tank failed an integrity test or inspection and was emptied and remains empty	2.16(j)
Pipes entering below the liquid level have remotely activated or readily accessible valves	2.2(a)3
Pipes entering below the liquid level will prevent discharges outside of secondary containment	2.2(a)3
Pipes entering below the liquid level do not impair the integrity of secondary containment	2.2(a)3
All AST's greater than 2,000 gallons have a high liquid level audible or visual alarm and one (1) of the following three required items	2.2(d)
High high liquid level pump cutoff device with a separate liquid level detector	2.2(d)1
Direct communication between tank gauger and pumping station (visual, phone or radio)	2.2(d)2
Fast response liquid level detection system which results in rapid shutdown of pumping	2.2(d)3
Overfill lines or vent lines are directed into secondary containment, other tanks or other appropriate holding areas	2.2(f)

DRUMS & OTHER STORAGE	**Citation (N.J.A.C. 7:1E)**
All container storage areas are equipped with adequate secondary containment or diversion systems	2.2(h)
Mobile or portable storage tanks are positioned or located so as to be protected by secondary containment and are not subject to periodic flooding or washout	2.2(g)

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LOADING/UNLOADING AREAS	**Citation (N.J.A.C. 7:1E)**
All tank car or tank truck loading or unloading areas are equipped with secondary containment or diversion	2.3(a)
A system to prevent tank car or tank truck departure before complete disconnect of loading or unloading lines is utilized in loading or unloading areas	2.3(e)
Tanks cars in the process of being loaded or unloaded are attended at reasonable intervals and during topping off	2.3(f)
Tanks trucks being loaded or unloaded are attended at all times	2.3(g)

IN-FACILITY PIPES	**Citation (N.J.A.C. 7:1E)**
Buried pipe is subject to a maintenance and repair program	2.4(c)2
In-facility pipes containing hazardous substances are sufficiently marked to identify the substances in them	2.4(a)
Buried pipe that is exposed for any reason is carefully examined for deterioration	2.4(d)
Buried pipe that is found to be deteriorated is repaired or replaced	2.4(d)
Buried pipe that is reconstructed or replaced meets new buried pipe standards	2.4(d)
Out-of-service pipes are blank-flanged and marked as to origin or physically removed	2.4(e)
Means of minimizing chances of vehicular collision with overhead pipes are in place	2.4(g)

PROCESS AREAS	**Citation (N.J.A.C. 7:1E)**
Process areas are provided with a means of secondary containment or diversion	2.5(a)

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SECONDARY CONTAINMENT	**Citation (N.J.A.C. 7:1E)**
Secondary containment blocks all probable routes by which leaked hazardous substances could reasonably expected to become discharges	2.6(c)1
All secondary containment, except as noted for existing systems for existing ASTs, is impermeable	2.6(c)3
Incompatible materials are not stored within the same area if there is substantial likelihood of them mixing in the event of leakage	2.6(c)6
Secondary containment systems are not used as backup storage systems or any other purpose that impairs the capacity to contain leaks	2.6(c)7

MARINE TRANSFER AREAS	**Citation (N.J.A.C. 7:1E)**
Facility keeps available a length of floatation boom or other containment device sufficient to totally enclose a vessel or vessels while engaged in transfer of hazardous substances	2.7(b)
Containment device is deployed, when conditions permit the effective use and safe deployment, prior to commencing the transfer of any nonmiscible lighter-than-water hazardous substance with a flash point in excess of 100 degrees F.	2.7(c)
Containment devices are maintained on a standby basis, ready for rapid deployment when conditions prohibit immediate deployment	2.7(d)
When vessels are docked, and the dock acts as an effective barrier, the containment device encircles the rest of the vessel	2.7(e)
Containment device is maintained in a manner that minimizes the potential for any discharged hazardous substances from leaving the contained area	2.7(f)
Vessel displays a copy of information required for discharge notification in a conspicuous format in a prominent place on the bridge or pilot house	5.3(d)
Facility displays a copy of information required for discharge notification in a conspicuous format at any transfer areas and the operations center	2.7(j)
There is fixed lighting for each transfer connection point in use at the facility	2.8(a)1
There is fixed lighting for each hazardous substance transfer work area at the facility	2.8(a)3

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FLOOD HAZARD AREAS	**Citation (N.J.A.C. 7:1E)**
Hazardous substances stored within the tidal floodplain or the floodway are adequately protected	2.9(a)
Hazardous substances stored within an area known to be subject to flooding are adequately protected	2.9(b)

LEAK DETECTION & MONITORING	**Citation (N.J.A.C. 7:1E)**
Inspections are performed prior to each marine transfer and include: lighting, valves, pumps, flanges, flexible hoselines and connections to be used in the transfer	2.10(a)1
Inspection of AST secondary containment and diversion systems which are not impermeable is performed daily and includes integrity and leaks	2.10(a)2
Inspection of loading or unloading areas is performed daily or prior to each use and includes: integrity, deterioration, leaks and flexible hoselines	2.10(a)3
Inspection of process areas is performed weekly and includes integrity and leaks	2.10(a)4
Inspection of all other storage areas, secondary containment, and aboveground pipes is performed monthly and includes integrity and leaks	2.10(a)5
Inspection of all other aboveground valves, pumps, flanges, connections and equipment is performed quarterly and includes integrity and leaks	2.10(a)6i
Inspection of all security items is performed quarterly and includes integrity	2.10(a)6ii
Inspection of all cleanup and removal equipment and supplies is performed quarterly and includes adequacy	2.10(a)6iii

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HOUSEKEEPING & MAINTENANCE	**Citation (N.J.A.C. 7:1E)**
Hazardous substances are protected from the elements and the possibility of leakage	2.11(a)
Leaking equipment is promptly repaired, replaced or taken out of use	2.11(b)
Leaks are captured and contained	2.11(b)
All leaks are promptly cleaned up, loose quantities of hazardous substances are not allowed to persist on grounds, floors, walls, equipment or any other place within the facility	2.11(c)
All discharges are promptly cleaned up, loose quantities of hazardous substances are not allowed to persist on grounds, floors, walls, equipment or any other place within the facility	2.11(c)
Facility has on hand in convenient locations adequate quantities of cleanup materials sufficient to contain and clean up small leaks or discharges they will respond to	2.11(d)
Facility maintains an adequate supply of protective safety equipment	2.11(e)
Secondary containment is kept in good repair, free of cracks through which hazardous substances could be discharged	2.11(f)
Secondary containment is free of accumulated debris	2.11(f)

EMPLOYEE TRAINING PROGRAM	**Citation (N.J.A.C. 7:1E)**
Training program implemented	2.12(a)
Training program written description maintained	2.12(a)
All new employees receive job-specific training which covers:	2.12(c)2
standard operating procedures.	2.12(c)2i
safety, equipment, and procedures used in cleanup and removal	2.12(c)2ii
procedures regarding fires, leaks and discharges	2.12(c)2iii
equipment familiarization	2.12(c)2iv
Training provided covering updated or new SOPs	2.12(c)3
Refresher training conducted at least once per year and presents an overview and updated information	2.12(c)4
Training program specifies qualifications of trainers	2.12(d)
Facility has procedures to insure all employees utilized by outside contractors have received site-specific information covering emergency and safety procedures	2.12(f)

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SECURITY	**Citation (N.J.A.C. 7:1E)**
Facility is adequately illuminated so that intruders, leaks or discharges can be detected	2.13(a)
Facility has security sufficient to prevent unauthorized persons from gaining access to hazardous substances	2.13(b)

STANDARD OPERATING PROCEDURES	**Citation (N.J.A.C. 7:1E)**
A current index of SOPs noting ID numbers and latest dates of issue is maintained and is readily available	2.14(h)
Copies of SOPs are readily available to employees	2.14(b)
SOPs are available for all procedures involving hazardous substances	2.14(a)
SOPs are written in English and any other necessary language	2.14(a)
SOPs include a description of the operation, including all applicable requirements from N.J.A.C. 7:1E-2	2.14(d)1
SOPs include procedures for visual inspection of equipment	2.14(d)2
SOPs include procedures and conditions for normal operation	2.14(d)3
SOPs include leak or discharge information for the operation	2.14(d)5
SOPs include information on leak monitoring equipment and alarms	2.14(d)4
SOPs include simplified process flow sheets	2.14(e)1
SOPs include a description of abnormal conditions	2.14(e)2
SOPs include pre-startup procedures	2.14(e)3
SOPs include startup procedures	2.14(e)4
SOPs include shutdown procedures	2.14(e)5
SOPs include procedures to perform and inspect maintenance	2.14(e)6
SOPs include log sheets and checklists	2.14(e)7
Generic SOPs cover all hazardous substances utilized and delineate any special conditions	2.14(f)

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EMPLOYEE PARTICIPATION
Notice or a copy of any Department notice, was conspicuously displayed in the area subject to the inspection or audit, immediately upon notification
Copy of posted notice provided to the employee representative
Employee(s) participated